IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(Special Original Jurisdiction)

WEDNESDAY, THE THIRD DAY OF OCTOBER
TWO THOUSAND AND SEVEN

PRESENT

THE HON'BLE SRI JUSTICE C.Y.SOMAYAJULU

WRIT PETITION No.13797 OF 2003

Between:

M/s.Suvarna Florex Limited, A Company
Registered under the Companies Act,
Rangareddyguda village, Balanagar Mandal,
Mahaoobnagar District.

.... PETITIONER

AND

Appellate Authority for Industrial Reconstruction,
Jawahar Vyapar Bhavan, 1, Tolstoy Marg,
New Delhi and others.

....RESPONDENTS

THE HON'BLE SRI JUSTICE
C.Y.SOMAYAJULU

WRIT PETITION NO.13797 OF 2003
AND
WPMP NO.2549 OF 2007

O R D E R

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The Petitioner Company, which became sick, filed a petition under Section 15(1) of the SICA Act, 1985, which was registered as Case No.219 of 2000. After the hearing, the BIFR declared the petitioner company as sick company in terms of the SICA Act. In accordance with the directions of the BIFR, the Operating Agency i.e. Industrial Development Bank of India (IDBI) was given the responsibility of conducting a study and giving a report on viability, so as to pull out the petitioner company from its losses. After conducting the enquiry, BIFR directed the operating agency to conduct Techno Economic Viability Study (TEVS). Questioning the same, the petitioner filed an appeal before the Appellate Authority i.e. first respondent.

As the first respondent was not functioning due to non-availability of the Members, the petitioner filed W.P.No.6599 of 2003 and during the course of hearing, the petitioner was permitted to withdraw the writ petition with a liberty to approach the first respondent for appropriate orders. Thereafter, the first respondent took up the appeal, heard and dismissed the appeal. Questioning the said order,

the petitioner preferred this writ petition in the year 2003.

During the pendency of the writ petition, the Operating Agency and the INDUSIND Bank Limited-4th respondent, two major creditors seem to have agreed to settle the dues from the petitioner under one time settlement scheme and received some payments, and therefore, the petitioner bringing that fact to the notice of this Court, moved an application in WPMP No.2549 of 2007 requesting this Court to remit the case to the second respondent for fresh disposal in view of the agreement between the petitioner and the INDUSIND Bank and IDBI. The said petition is not opposed by filing any counter by INDUSIND Bank and IDBI.

In the circumstances stated in the affidavit filed in support of WPMP No.2549 of 2007, in my considered opinion, the petitioner can be given an opportunity to approach the second respondent-BIFR with fresh proposal. Therefore, the order of the first respondent impugned in this petition is set aside, and the case is remitted to the second respondent (BIFR) to re-consider the case of the petitioner and pass appropriate orders on the revival proposals submitted by the petitioner, as expeditiously as possible, at any rate within a period of two months from the date of receipt of a copy of this order.

The WPMP and writ petition are ordered accordingly. No costs.

JUSTICE C.Y.SOMAYAJULU

3rd OCTOBER, 2007
PGS

THE HONOURABLE SRI JUSTICE
C.Y.SOMAYAJULU

WRIT PETITION NO.13797 OF 2003
AND
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3rd OCTOBER, 2007